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RUEHXS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS IMMEDIATE
RUEHKO/AMEMBASSY TOKYO IMMEDIATE 3723
RUEHUL/AMEMBASSY SEOUL 2939
RUEHBJ/AMEMBASSY BEIJING 6569
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STATE FOR EAP/MTS, EEB/TRA - VIKI LIMAYE-DAVIS
TRANSPORTATION FOR FAA
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SENSITIVE

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SUBJECT: PHILIPPINES MOVING SLOWLY ON CIVAIR SAFETY UPGRADE

REF: Manila 01390

1. (SBU) Contacts in the Philippine Civil Aviation Administration (CAAP) told Embassy officials August 17 that they continue to progress on air safety deficiencies in many critical areas indicated by the United States Federal Aviation Administration (FAA). Remedying these shortcomings is essential for the Philippines to overcome the "Category 2" civil aviation safety rating it has had since 2007. However, the CAAP has not progressed on a fundamental problem - hiring qualified personnel.

2. (SBU) The CAAP needs to offer competitive salaries for professionals with specialized skills in aviation safety (reftel). This includes pilots with extensive experience on commercial airframes, and skilled technicians who can earn high salaries in the private sector. The Philippine Presidency and Department of Budget and Management recently authorized a new salary structure, but it was lower than the CAAP Board requested. If CAAP cannot attract enough qualified professionals with the new, somewhat higher salaries, it will further delay progress towards achieving Category 1 status.

3. (SBU) In 2008, the CAAP postponed an International Civil Aviation Organization (ICAO) safety assessment, known as the Universal Safety Oversight Audit Program. The audit will take place this October, and will produce a report stating the CAAP's percentage of compliance with ICAO safety standards. CAAP officials have given mixed signals about their overall preparedness for the audit, and did not indicate any revitalized effort as a result of President Arroyo's discussions with the FAA in Washington in July. Although we will remain closely engaged with Philippine authorities on this issue, the remaining hurdles and apparent lack of focus in the Philippine government make it unlikely the CAAP will achieve the necessary improvements to regain Category 1 status anytime soon.

KENNEY